

Message Text

CONFIDENTIAL

PAGE 01 BEIRUT 07598 271230 Z

50

ACTION AGR-20

INFO OCT-01 NEA-10 ADP-00 EB-11 TRSE-00 OMB-01 L-03 SS-15

NSC-10 RSR-01 CIAE-00 INR-10 NSAE-00 RSC-01 AID-20

IGA-02 OPIC-12 /117 W

----- 063625

R 271125 Z JUN 73

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 2910

C O N F I D E N T I A L BEIRUT 7598

JOINT AGRICULTURE/ STATE MESSAGE

DEPT PASS TO CCC (BECKER)

E. O. 11652: GDS

TAGS: EFIN LE

SUBJ: INTRA INVESTMENT (IIC) - CHASE SETTLEMENT

SUMMARY: REGARDING THE DISAGREEMENT OVER THE INTERPRETATION OF THE MEMORANDA OF UNDERSTANDING BETWEEN THE INTRA INVESTMENT COMPANY (IIC) AND THE CCC OVER PAYMENTS MADE BY CHASE TO THE CCC, THE EMBASSY SUGGESTS THAT MESSRS. BECKER AND RISTAU INFORM THE IIC BEFORE THE GENERAL STOCKHOLDERS MEETING NEXT MONTH OF THEIR WILLINGNESS TO VISIT BEIRUT IN AUGUST (OR SEPTEMBER) FOR THE PURPOSE OF DISCUSSING THIS MATTER FURTHER. SUCH A GESTURE COULD HELP WARD OFF A POSSIBLE ATTEMPT AT THE GENERAL MEETING AIMED AT BRINGING THE DISPUTE TO THE LEBANESE COURTS. END SUMMARY.

1. AS IS KNOWN, A DISAGREEMENT OVER THE INTERPRETATION OF MEMORANDA OF UNDERSTANDING DATED JANUARY 22, 1972, AND FEBRUARY 9, 1972 RESPECTIVELY, HAS PREVENTED FULL IMPLEMENTATION OF THESE MEMORANDA. THE DISAGREEMENT CONCERNS THE PAYMENTS MADE BY CHASE TO THE CCC. THE IIC POSITION WAS REITERATED FORMALLY IN A LETTER OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BEIRUT 07598 271230 Z

SEPTEMBER 26, 1972, TO THE CCC, AND THE CCC POSITION WAS REITERATED IN A REPLY THERETO DATED NOVEMBER 17, 1972. SINCE THAT TIME, THE GAP BETWEEN THE TWO POSITIONS HAS REMAINED THE SAME, ALTHOUGH IN THE SPRING OF THIS YEAR THE IIC MADE AN INFORMAL REQUEST THAT THE CCC MAKE SOME SORT OF GESTURE (THE OCCASION WAS THE SETTLEMENT OF THE IIC-BANK OF AMERICA DIFFERENCES, WHICH WAS " FACILITATED" BY A LOW- INTEREST CREDIT TO THE IIC BY THE BANK OF AMERICA). THIS REQUEST WAS ANSWERED INFORMALLY TO THE EFFECT THAT THE CCC POSITION WAS EQUITABLE AND REMAINED UNCHANGED, AND NO FURTHER ACTION HAS TAKEN PLACE SINCE THAT TIME.

2. THE IIC DEPUTY MANAGER, DR. HAMZA, HAS NOW RAISED THIS MATTER ONCE MORE WITH THE EMBASSY, AGAIN URGING THAT THE CCC MAKE SOME SORT OF CONCILIATORY GESTURE IN BRINGING THE MATTER FINALLY TO A CLOSE. HE HAS POINTED OUT THAT HE HAS BEEN UNDER PRESSURE TO TAKE SOME SORT OF ACTION BY SOME OF THE STOCKHOLDERS AND FEELS THE ISSUE WILL COME TO A HEAD AT THE GENERAL STOCKHOLDERS MEETING SCHEDULED TO TAKE PLACE NEXT MONTH. ONE FORM OF ACTION HE IS BEING PRESSED TO TAKE, HE INDICATED, WAS RECOURSE TO THE LEBANESE COURTS.

3. FOR ITS PART, THE EMBASSY IS, OF COURSE, IN NO POSITION TO COMMENT ON THE RELATIVE MERITS OF THE OPPOSING INTERPRETATIONS WITH REGARD TO THIS MATTER AND, INDEED, ASSUMES THAT THE CCC POSITION IS SOLIDLY FOUNDED. MOREOVER, WE ARE NOT INCLINED TO ACCEPT FULLY AT FACE VALUE EITHER DR. HAMZA' S DESCRIPTION OF THE PRESSURES HE IS UNDER OR THE EVALUATION OF WHAT MIGHT TAKE PLACE AT THE GENERAL MEETING OF THE STOCKHOLDERS. FOR THAT MATTER, WE ARE NOT EVEN FULLY CONVINCED WITH RESPECT TO THE FEASIBILITY OF COURT ACTION AS SUCH, AND, IN GENERAL, ASSUME THAT HAMZA' S APPROACH TO US WAS NOT WITHOUT CERTAIN TACTICAL CONSIDERATIONS. NEVERTHELESS, WE DO NOT DISCOUNT HIS FEARS COMPLETELY AND BELIEVE THAT THERE IS ACTUALLY A DANGER OF SOME UNPLEASANT ACTION AT THE GENERAL MEETING AND OF AT LEAST AN ATTEMPT AT TAKING COURT ACTION.

4. IN LIGHT OF THE FOREGOING, THEREFORE, WE BELIEVE IT
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BEIRUT 07598 271230 Z

WOULD SERVE OUR INTERESTS TO MAKE SOME SORT OF GESTURE AND, UPON REFLECTION, SUGGEST A STEP WHICH, WHILE NOT COMPROMISING OUR POSITION IN ADVANCE, MIGHT PLACE AT HAMZA' S DISPOSAL AN INSTRUMENT FOR DAMPENING DOWN THINGS AT THE GENERAL MEETING IF THIS PROVES NECESSARY. WE HAVE IN MIND HAVING MESSRS. BECKER AND RISTAU INFORM HAMZA BEFORE THE GENERAL MEETING OF THEIR WILLINGNESS

TO COME TO BEIRUT FOR FURTHER TALKS IN AUGUST (OR
SEPTEMBER). ARMED WITH SUCH INFORMATION, IT WOULD SEEM
THAT HAMZA COULD WARD OFF AN ATTEMPT FOR PRECIPITOUS
ACTION IF THIS OCCURS AND IF IN FACT HE IS SINCERE IN
HIS CONTENTION THAT HE WISHES TO DO SO.
HOUGHTON

CONFIDENTIAL

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BEIRUT07598
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: BEIRUT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730628/aaaajntk.tel
Line Count: 126
Locator: TEXT ON-LINE
Office: ACTION AGRE
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 04 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04-Jan-2002 by cunninfx>; APPROVED <16-Jan-2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980225
Subject: INTRA INVESTMENT (IIC) - CHASE SETTLEMENT
TAGS: EFIN, LE
To: AGR
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005